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REFERENCE TITLE: inmate health care; AHCCCS rates.

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

## **SB 1368**

Introduced by  
Senators Brotherton, Giffords; Anderson, Arzberger, Binder, Cannell R,  
Hellon, Miranda, Mitchell, Rios, Tibshraeny; Representatives Jackson Jr,  
Straughn

AN ACT

AMENDING TITLE 41, CHAPTER 11, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1608; RELATING TO THE STATE DEPARTMENT OF CORRECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 11, article 1, Arizona Revised Statutes,  
3 is amended by adding section 41-1608, to read:

4 41-1608. Medical services; rate structure; definition

5 A. THE DEPARTMENT MAY CONTRACT FOR INPATIENT AND OUTPATIENT HOSPITAL  
6 SERVICES FOR AN INMATE IN A CORRECTIONAL FACILITY WHO REQUIRES HEALTH CARE  
7 SERVICES AND SHALL REIMBURSE THE FACILITY OR A PROVIDER BASED ON THE  
8 REIMBURSEMENT METHODOLOGY ESTABLISHED PURSUANT TO SECTION 36-2903.01,  
9 SUBSECTION J. FOR HEALTH AND MEDICAL SERVICES, THE DEPARTMENT MAY CONTRACT  
10 WITH PROVIDERS AND REIMBURSE THEM BASED ON THE ADMINISTRATION'S CAPPED  
11 FEE-FOR-SERVICE SCHEDULE ESTABLISHED PURSUANT TO TITLE 36, CHAPTER 29,  
12 ARTICLE 1. DURING CONTRACT NEGOTIATIONS, THE DEPARTMENT MAY AGREE TO  
13 REIMBURSE FACILITIES AND PROVIDERS BASED ON THE ADMINISTRATION'S  
14 REIMBURSEMENT RATES PLUS AN ADDITIONAL NEGOTIATED AMOUNT OF NOT TO EXCEED  
15 FIFTY-FIVE PER CENT MORE THAN THE ADMINISTRATION'S RATE IF THE DEPARTMENT  
16 DETERMINES THAT IT IS IN THE BEST INTERESTS OF THE STATE.

17 B. IF THE DEPARTMENT DOES NOT CONTRACT WITH A FACILITY OR PROVIDER,  
18 THE DEPARTMENT SHALL REIMBURSE THE FACILITY OR PROVIDER AS FOLLOWS:

19 1. FOR INPATIENT AND OUTPATIENT HOSPITAL SERVICES, THE DEPARTMENT  
20 SHALL REIMBURSE AT A LEVEL THAT DOES NOT EXCEED THE REIMBURSEMENT METHODOLOGY  
21 ESTABLISHED PURSUANT TO SECTION 36-2903.01, SUBSECTION J, UNLESS THE  
22 DEPARTMENT HAS A CONTRACT WITH THE VENDOR.

23 2. FOR HEALTH AND MEDICAL SERVICES, UNLESS THE DEPARTMENT HAS A  
24 CONTRACT WITH THE VENDOR, THE DEPARTMENT SHALL REIMBURSE AT A LEVEL THAT DOES  
25 NOT EXCEED THE CAPPED FEE-FOR-SERVICE SCHEDULE THAT IS ADOPTED BY THE  
26 ADMINISTRATION PURSUANT TO TITLE 36, CHAPTER 29, ARTICLE 1 AND THAT IS IN  
27 EFFECT AT THE TIME THE SERVICES ARE DELIVERED.

28 C. THE DEPARTMENT SHALL ESTABLISH AN INTERGOVERNMENTAL AGREEMENT WITH  
29 THE ADMINISTRATION TO REIMBURSE THE ADMINISTRATION FOR ANY ADMINISTRATIVE  
30 COSTS INCURRED BY THE ADMINISTRATION ASSOCIATED WITH PROCESSING CLAIMS FOR  
31 THE DEPARTMENT, INCLUDING A MEDICAL REVIEW OF THE CLAIMS.

32 D. FOR THE PURPOSES OF THIS SECTION, "ADMINISTRATION" MEANS THE  
33 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

34 Sec. 2. Emergency

35 This act is an emergency measure that is necessary to preserve the  
36 public peace, health or safety and is operative immediately as provided by  
37 law.